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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/993,479	11/27/2001	Dei-Chin Lee	LEED3004/EM	7161
23364	7590	03/08/2004	EXAMINER	
BACON & THOMAS, PLLC 625 SLATERS LANE FOURTH FLOOR ALEXANDRIA, VA 22314			SANTOS, PATRICK J D	
			ART UNIT	PAPER NUMBER
			2171	
			DATE MAILED: 03/08/2004 2	

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/993,479

Applicant(s)

LEE ET AL.

Examiner

Patrick J Santos

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 27 November 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-7 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☒ Claim(s) 1-7 is/are allowed.
- 6) ☒ Claim(s) 1-7 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 27 November 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### *Specification*

1. The disclosure is objected to because of minor informality: Specification, p. 4, line 2 should read, “**a** component part supplier” rather than “component part supplier.”

Correction is required.

2. The abstract of the specification is objected to because of minor informality: Abstract, line 3 should read, “radio of **a** component part supplier” rather than “ratio of component part supplier.” Correction is required. See MPEP § 608.01(b).

### *Claim Objections*

3. Claims 1-7 are objected to because of minor informalities.
  - Claim 1 contains the following minor informalities:
    - o Claim 1, line 3 should read, “for correctly evaluating **the** capability” rather than “for correctly evaluating capability.”
    - o Claim 1, line 4 should read, “supplying **a** component part” rather than “supplying component part.”
  - Claims 2-7 are dependent on Claim 1 and inherits the above minor informality.

Appropriate correction is required.

### *Claim Rejections - 35 USC § 103*

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4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-3 and 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over of U.S. Patent Application Publication US2003/0009361 A1 by Hancock et al. (hereafter Hancock '361), in view of U.S. Patent No. 5,712,985 issued to Lee et al. (hereafter Lee '985), in further view of the publication "Best Practice in Inventory Management" by Wild, published by John Wiley & Sons, 1997 (hereafter Wild '97).

Claim 1:

Regarding Claim 1, Hancock '361 teaches an inventory system that provides data; using the data in the inventory system to evaluate vendors; and teaches calculating ratios as part of evaluating vendors. Specifically, Hancock '361 teaches the inventory management system (Hancock '361: Abstract) established between computers of a product manufacturer and at least one component part supplier over a network connection (Hancock '361: paras. [0011] and [0012], Fig. 1); for correctly evaluating the capability of supplying a component part by each component part supplier (Hancock '361: para. [0218]), the system including the steps of:

- producing a document based on types and quantities of the component parts, transmitting the document to the computers of each component part supplier through the network connection, and requesting each component part supplier to return a promised quantity of

the component parts on the forthcoming period of time to the product manufacturer (Hancock '361: paras. [0066] and [0013] );

- receiving the promised quantity of the component parts of each component part supplier on the forthcoming period of time by the product manufacturer and writing the same in the database (Hancock '361: paras. [0067] and [0013]);
- writing an actual delivery of the promised quantity of the component parts of each component part supplier on the forthcoming period of time in the database (Hancock '361: paras. [0069] and [0013]); and
- reading data from the database for calculating ratios of each component part supplier on the forthcoming period of time with respect to the component parts (Hancock '361: para. [0218]).
- producing an evaluation table of each component part supplier as a reference by the product manufacturer (Hancock '361: Figs. 9A and 9B). (Note that Hancock '361 teaches a wide range of possible reports and evaluation tables based on historical data; see paras. [0212] through [0220].)

Hancock '361 does not explicitly teach:

- estimating a demand of component parts on a forthcoming period of time in accordance with orders inputted and writing the same in a database of the system;
- calculating a promise execution ratio and a delivery execution ratio wherein:
  - the promise execution ratio = the promised quantity of the component parts / the estimated demand of the component parts, and
  - the delivery execution ratio = the actual delivery of the promised quantity of the component parts / the promised quantity of the component parts,

producing a daily evaluation table.

Lee '985 teaches a demand forecasting system and a forecast reporting system.

Specifically Lee '385 teaches:

- estimating a demand of component parts on a forthcoming period of time in accordance with orders inputted and writing the same in a database of the system (Lee '385: col. 2, ln. 63 to col. 3, ln. 7; col. 3, lns. 8-15; col. 3, lns. 54-64; col. 6, lns. 18-34); and
- producing a daily evaluation table (Lee '385: col. 1, lns. 37-55). (Lee '385 actually teaches a generalization in which the system of Lee '385 is capable of generating regular reports for an arbitrary time period to a minimal granularity of 15 minutes.)

Lee '985 does not explicitly teach:

- calculating a promise execution ratio and a delivery execution ratio wherein:
  - the promise execution ratio = the promised quantity of the component parts / the estimated demand of the component parts, and
  - the delivery execution ratio = the actual delivery of the promised quantity of the component parts / the promised quantity of the component parts.

Wild '97 teaches best practices of inventory management systems. The teachings of Wild '97 include the use of moving averages (Wild '97: pp. 149-150, Section titled, "Moving Average") which reads on:

- calculating a promise execution ratio and a delivery execution ratio wherein:
  - the promise execution ratio = the promised quantity of the component parts / the estimated demand of the component parts, and

- the delivery execution ratio = the actual delivery of the promised quantity of the component parts /  
the promised quantity of the component parts.

It would have been further obvious to a person having ordinary skill in the art to apply the forecasting system of Lee '985 to the inventory system of Hancock '361 as per the teachings of Wild '97. Note that Hancock '361 specifically teaches the incorporation of logic to measure supplier performance criteria (Hancock '361: para [0218]). Further note that Lee '985 which teaches that application of the invention of Lee '985 provides the advantage of a more accurate means to estimate demand of component parts (Lee '985: col. 1, lns. 37-55; col. 2, lns. 40-60). The motivation to combine is suggested by Wild '97 which teaches the requirement of accurate demand forecasting since the cost of inventory is borne by the customer, specifically stating, "Good forecasting means low stock. Poor forecasting means high stock. Forecasting should be based on data which is accurate and appropriate for the purpose." (Wild '97: p.135, Section titled, "Options for Assessing Demand"). Thus substituting the generic vendor evaluation logic of Hancock '361 with the more accurate forecasting system of Lee '985 provides a system with the advantages of low inventory as taught by Wild '97.

Note that the calculation of a promise execution ration and a delivery execution ratio is enabled by the Hancock '361, Lee '985, and Wild '97 combination. The calculation elements of a promised delivery quantity, and an actual delivery quantity are available from the data of Hancock '361 in the Hancock '361, Lee '985, and Wild '97 combination. Furthermore, the calculation element of the estimated demand of component parts is available from the data of Lee '985 in the Hancock '361, Lee '985, and Wild '97 combination. Finally, Hancock '361 teaches the use of calculating ratios (Hancock '361: para [0218]) and Wild '97 teaches the use

of moving averages to calculate ratios as part of best practices of operations management (Wild '97: pp. 149-150, Section titled, "Moving Average"). In light of the ready availability of the calculation elements and the general practice of using ratios as a metric for determining performance, applicant's specific limitations of a promise execution ratio and a delivery execution ratio is unpatentable.

Claim 2:

Regarding Claim 2, Hancock '361, Lee '985, and Wild '97 in combination teach all the limitations of Claim 1 (supra). Further note that Wild '97 of the Hancock '361, Lee '985, and Wild '97 combination teaches a calculation which makes use of an accumulation over a time period which reads on "wherein the estimated demand of the component parts is an accumulation of the estimated demand of the component parts received by each component part supplier from the product manufacturer on the forthcoming period of time" (Wild '97: pp. 151-152, Section titled, "Alternative Calculation Methods for a Moving Average").

Claim 3:

Regarding Claim 3, Hancock '361, Lee '985, and Wild '97 in combination teach all the limitations of Claim 1 (supra). Further note that Wild '97 of the Hancock '361, Lee '985, and Wild '97 combination teaches, teaches a calculation which makes use of an accumulation over a time period which reads on "wherein the promised quantity of the component parts is an accumulation of the promised quantity of the component parts by each component part supplier with respect to the estimated demand of the component parts on the forthcoming period of time" (Wild '97: pp. 151-152, Section titled, "Alternative Calculation Methods for a Moving Average").



Claim 5:

Regarding Claim 5, Hancock '361, Lee '985, and Wild '97 in combination teach all the limitations of Claim 1 (supra). Further note that Wild '97 of the Hancock '361, Lee '985, and Wild '97 combination teaches a calculation which makes use of an accumulation over a time period which reads on "wherein the daily evaluation table of each component part supplier is accumulated as a regular evaluation table comprising the promise execution ratio and the delivery execution ratio of each component part supplier on the forthcoming period of time" (Wild '97: pp. 151-152, Section titled, "Alternative Calculation Methods for a Moving Average").

Claim 6:

Regarding Claim 6, Hancock '361, Lee '985, and Wild '97 in combination teach all the limitations of Claim 1 (supra). Further note that Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination teaches providing a report that shows calculation elements which reads on "wherein the regular evaluation table comprises: the estimated demand of the component parts on the forthcoming period of time transmitted by the product manufacturer to each component part supplier; the quantity of the component parts promised by each component part supplier on the forthcoming period of time in response to the estimated demand of the component parts; and the actual delivery of the promised quantity of the component parts by each component part supplier on the forthcoming period of time" (Hancock '361: Fig. 9B, paras. [0167] and [0169]). Note that the screens displayed by Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination are merely exemplary, and are modified accordingly i.e. will show the appropriate calculation elements, to accommodate the

variations as enumerated by Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination (Hancock '361: paras. [0212] through [0220]).

Claim 7:

Regarding Claim 7, Hancock '361, Lee '985, Aycock '138, and Wild '97 in combination teach all the limitations of Claim 1 (supra). Further note that the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination teaches, "wherein the regular evaluation table further comprises the promise execution ratio and the delivery execution ratio of each component part supplier, wherein:

- the promise execution ratio = the number of items promised in response to the estimated demand of the  
component parts / the number of the component part items  
estimated on the forthcoming period of time; and
- the delivery execution ratio = the number of the component part items actually delivered in response to the  
promised demand of the component parts / the number of  
items promised in response to the estimated demand of the  
component parts"

(Hancock '361: Fig. 9B, paras. [0167] and [0169]).

Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination teaches providing a report that shows calculation elements which reads on the above limitation. The screens displayed by Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination are merely exemplary, and are modified accordingly i.e. will show the appropriate calculation elements i.e. the promise execution ratio and the delivery execution ratio, to accommodate the variations as enumerated by Hancock '361 of the Hancock '361, Lee '985, Aycock '138, and Wild '97 combination (Hancock '361: paras. [0212] through [0220]).

6. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hancock '361, Lee '985, and Wild '97 in view of U.S. Patent No. 5,765,138 issued to Aycock et al. (hereafter Aycock '138).

Claim 4:

Regarding Claim 4, Hancock '361, Lee '985, and Wild '97 in combination teach all the limitations of Claim 1 (supra). However, Hancock '361, Lee '985, and Wild '97 in combination do not explicitly teach "wherein the promise execution ratio and the delivery execution ratio having a percentage smaller than 100% are deemed as a fail and are represented by 0, the promise execution ratio and the delivery execution ratio having a percentage larger than 100% are deemed as a success and are represented by 100, and the value of 0 or 100 is then written in a field of the promise execution ratio or the delivery execution ratio of the daily evaluation table by the system."

Aycock '138 teaches a system for evaluating past vendors with known criteria and rejecting vendors that do not meet said criteria. Specifically, Aycock '138 reads on, "wherein the promise execution ratio and the delivery execution ratio having a percentage smaller than 100% are deemed as a fail and are represented by 0, the promise execution ratio and the delivery execution ratio having a percentage larger than 100% are deemed as a success and are represented by 100, and the value of 0 or 100 is then written in a field of the promise execution ratio or the delivery execution ratio of the daily evaluation table by the system" (Aycock '138: col. 7, lns. 38-45). Further note that Aycock '138 teaches the means to interface with external

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databases such as that of the Hancock '361, Lee '985, and Wild '97 combination (Aycock ;138: col. 3, ln. 62 to col. 4, ln. 6).

It would have been obvious to a person having ordinary skill in the art to apply the vendor evaluation system of Aycock '138 to the Hancock '361, Lee '985, and Wild '97 combination. Note that Hancock '361 specifically teaches the incorporation of logic to measure supplier performance criteria (Hancock '361: para. [0218]). The motivation to combine is suggested by Wild '97 which teaches the requirement for appraising existing supply vendor performance since poor vendor performance costs are often borne by the customer (Wild '97: p. 119, Section titled, "Vendor Appraisal"). Furthermore, Wild '97 teaches an advantage of vendor performance appraisal as providing the means of eliminating vendors with poor performance, specifically stating, "The ability of a business to meet commitments to its customer depends on the quality of support it receives from its suppliers. If that support is missing, then the business must look elsewhere for better service" (Wild '97: pp. 119-120, Section titled, "Vendor Appraisal"). Thus augmenting the vendor evaluation logic of the Hancock '361, Lee '985, and Wild '97 combination with the improved vendor evaluation logic of Aycock '138 provides a system with the advantages of vendor appraisal as taught by Wild '97.

### ***Conclusion***

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- U.S. Patent Application Publication, US 2002/0007302 by Work et al. "Method and Apparatus for Tracking Vendor Compliance with Purchaser Guidelines and Related Method for the Commercial

Distribution of Software and Hardware Implementing Same". Alternate reference for Hancock '361 (inventory system).

- U.S. Patent 5,765,143 issued to Sheldon et al. "Method and System for Inventory Management." Alternative reference for Lee '985 (forecasting).

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Patrick J Santos whose telephone number is 703-305-0707. The examiner can normally be reached on M-F 8:00-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Safet Metjahic can be reached on 703-308-1436. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Patrick J.D. Santos  
03 March 2004

  
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